

17 May 1968

MEMORANDUM FOR THE RECORD

SUBJECT: H. R. 14907

REFERENCE: Memorandum for the Record dated 20 March 1968 re S. 3002

1. H. R. 14907 amends the Federal Credit Union Act and was reported by the Committee on Banking and Currency in amended form 9 May 1968 (Report No. 1372).

2. H. R. 14907 as reported out appears to be of general interest in the following respects:

a. extends the maximum loan period for secured loans from five to ten years (Section 1(1));

b. authorizes personal disability insurance against credit union obligations with cost to be included in the borrowers loan repayment schedules (Section 1(3));

c. authorizes the borrowing of funds by credit unions (Section 1(4));

d. increases the limit for unsecured loans from \$750 to the lesser of \$2, 500 or 2 1/2 percentum of the credit unions unimpaired capital and surplus (for a credit union of the size of the Agency's) and limits total loans to one borrower to the greater of either \$200 or 10 percent of the credit union's unimpaired capital and surplus (Section 1(5)); and

e. makes changes in connection with audits and provides for suspension of officers, members of credit committee or board of directors (Section 1(6)).

3. Significantly, the Committee struck from H. R. 14907 the provision which would have changed the basis for establishing a regular reserve from 10 percent of shareholding to 7 percent of outstanding loans.

4. [redacted] Credit Union, was advised.

[redacted]
Office of Legislative Counsel

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1 - [redacted] 23 May 1968

OLC [redacted] (20 May 1968)

1 - [redacted] - 31 May 1968